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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

ILLUMINA, INC. and  
ILLUMINA CAMBRIDGE LTD.,

Plaintiffs,

v.

BGI GENOMICS CO., LTD.,  
BGI AMERICAS CORP.,  
MGI TECH CO., LTD.,  
MGI AMERICAS INC., and  
COMPLETE GENOMICS INC.,

Defendants.

Case Nos. 3:19-cv-03770-WHO  
3:20-cv-01465-WHO

**DEFENDANTS' OPPOSITION TO  
PLAINTIFF'S MOTION FOR  
ATTORNEY FEES AND ENHANCED  
DAMAGES**

Date: March 2, 2022  
Time: 2:00 PM  
Judge: The Hon. William H. Orrick

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1 **I. INTRODUCTION**

2 This was a close, hard-fought, case between competitors with a split verdict after five days  
3 of jury deliberation. Between summary judgment and trial, CGI succeeded on two of the three  
4 patents that were asserted against CoolMPS, the only product relevant to the intended U.S.  
5 commercial launch. CGI had every right to defend itself, as the patent system contemplates. When  
6 Illumina's rhetoric is put to the side, the facts show that CGI acted reasonably and responsibly,  
7 and that there is no basis for punitive awards of enhanced damages or attorneys' fees.

8 Illumina resorts to its familiar emphasis on its purportedly "battle-hardened" patent rights  
9 which it believes should have compelled CGI to immediately to throw in the towel rather than  
10 mount a defense. Those previous "battles," however, concerned *only* the '537 patent—a patent  
11 that Illumina did not even assert against CoolMPS and one that the evidence showed is actually  
12 invalid.<sup>1</sup> That the '537 patent withstood previous challenges did not preclude CGI from mounting  
13 its own defense as to it and says nothing about the validity of the other asserted patents. Indeed,  
14 the jury found the 'claim 3 of the '444 patent and claim 1 of the '025 patent invalid.<sup>2</sup> If anything,  
15 as noted throughout CGI's post-trial briefing, it is *Illumina* that has repeatedly misrepresented the  
16 history regarding the patents at issue to create the false impression that all the patents are  
17 somehow "battle-hardened."

18 Illumina also prominently complains of CGI's litigation conduct. Illumina points out that  
19 CGI did not prevail on all of its claims and defenses. That does not make their assertion  
20 misconduct. If it did, then Illumina's conduct would be a basis for finding fees should be awarded  
21 to CGI for Illumina's several losses too. Nothing about CGI's behavior is the type of exceptional  
22 or egregious behavior necessary to justify attorneys' fees or enhanced damages. Illumina's Motion  
23 should be denied.

24  
25  
26 <sup>1</sup> See Dkt. 597 (CGI's Response to JMOL) at 19 (referencing Dr. Romesberg's testimony showing  
27 the '537 patent could not be valid as it claims an impossibility, nucleosides being incorporated by  
28 polymerases).

<sup>2</sup> The Court ruled that CoolMPS did not infringe any claim of the '025 patent.

## 1 **II. LEGAL STANDARDS**

2 A district court may award attorneys' fees if the case is "exceptional." 35 U.S.C. § 285. An  
 3 exceptional case must be "one that stands out from others with respect to the substantive strength  
 4 of a party's litigating position (considering both the governing law and the facts of the case) or the  
 5 unreasonable manner in which the case was litigated." *Octane Fitness, LLC v. ICON Health &*  
 6 *Fitness, Inc.*, 572 U.S. 545, 554 (2014). "District courts may determine whether a case is  
 7 'exceptional' in the case-by-case exercise of their discretion, considering the totality of the  
 8 circumstances." *Id.* Attorneys' fee awards are "not to be regarded as a penalty for failure to win a  
 9 patent infringement suit." *Rohm & Haas Co. v. Crystal Chem. Co.*, 736 F.2d 688, 691 (Fed. Cir.  
 10 1984) (citation omitted). Nor should they be a penalty for good faith zealous advocacy. *See*  
 11 *France Telecom S.A. v. Marvell Semiconductor Inc.*, No. 12-cv-04967-WHO, 2015 WL 4396201,  
 12 at \*4 (N.D. Cal. July 17, 2015) (denying motion for attorney's fees and holding that "good faith  
 13 zealous advocacy . . . [is] not exceptional"); *see also Finjan, Inc. v. Sophos, Inc.*, 244 F. Supp. 3d  
 14 1016, 1029 (N.D. Cal. 2017).

15 An award of enhanced damages is "designed as a 'punitive' or 'vindictive' sanction for  
 16 egregious infringement behavior" and is reserved for cases in which the defendant's conduct is  
 17 "willful, wanton, malicious, bad-faith, deliberate, consciously wrongful, flagrant, or—indeed—  
 18 characteristic of a pirate." *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 579 U.S. 93, 103-04 (2016). In  
 19 assessing enhanced damages, courts may consider the nine factors described in *Read Corp. v.*  
 20 *Portec, Inc.*, 970 F.2d 816, 827 (Fed. Cir. 1992), *abrogated in part on other grounds by Markman*  
 21 *v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). "Knowledge of the patent alleged to be  
 22 willfully infringed continues to be a prerequisite to enhanced damages." *WBIP, LLC v. Kohler*  
 23 *Co.*, 829 F.3d 1317, 1341 (Fed. Cir. 2016) (citing *Halo*, 579 U.S. at 104-05).

## 24 **III. THIS CASE DOES NOT WARRANT AN AWARD OF ATTORNEYS' FEES**

### 25 **A. The Court Should Grant JMOL of No Willful Infringement, but Even Absent** 26 **JMOL, the Willfulness Finding Does Not Support Attorneys' Fees Here**

27 Illumina's arguments concerning purported knowledge of Illumina's "patents" and  
 28 willfulness suffer the same flaws as their trial presentation concerning willfulness: Illumina

1 repeatedly refers to “Illumina’s azido technology” and “Illumina’s patents” without identifying  
 2 any particular patent or claim. As discussed in CGI’s renewed motion for judgment as a matter of  
 3 law concerning willfulness (Dkt. 580<sup>3</sup> “CGI’s JMOL”), by the time CGI knew of the ’537 patent,  
 4 it was no longer doing research in the U.S. on that product as it was already commercially  
 5 launched in other countries. Rather, it was working on CoolMPS, and Illumina has never claimed  
 6 CoolMPS infringes the ’537 patent. Not until this litigation began, did Illumina ever identify the  
 7 patents that CoolMPS allegedly infringed. For those reasons, CGI is entitled to JMOL of no  
 8 willfulness, and willfulness thus cannot support Illumina’s request for attorneys’ fees.

9 Even if the willfulness verdict were to stand, however, a finding of willfulness does not  
 10 mandate an award of attorneys’ fees, especially here given the closeness of the case. *SiOnyx LLC*  
 11 *v. Hamamatsu Photonics K.K.*, 981 F.3d 1339, 1355 (Fed. Cir. 2020) (observing attorney fee  
 12 award not mandatory when willful infringement found).

13 The following discussion of copying and CGI’s knowledge—pointing out the flaws in  
 14 Illumina’s arguments—is equally applicable to the factors to be reviewed in assessing enhanced  
 15 damages, *i.e.*, *Read Factors* Nos. 1 (copying) and 2 (knowledge and good faith belief).

16 1. Illumina Cites No Evidence Tying Alleged Copying to Any Patent Claims

17 CGI’s JMOL demonstrated that Illumina failed to prove that CGI copied any Illumina  
 18 technology, let alone any patented technology. Dkt. 580 at 16. Instead, Illumina lumps together  
 19 “Illumina’s technology” and “Illumina’s patent rights” generally, without attempting to connect  
 20 the subject matter of any claim on which it prevailed to any alleged copying. Dkt. 575-4 at 5-6.

21 Although Illumina points to a 2008 publication as evidence that CGI “knew of Illumina’s  
 22 technology,” Dkt. 575-4 at 5, Illumina fails to connect the “Illumina technology” of that 2008  
 23 article with the Asserted Patents, none of which issued before 2009. *Id.* Illumina also exaggerates  
 24 that after BGI acquired CGI, BGI “promptly” changed to Illumina’s chemistry, *id.*, where the cited  
 25 testimony establishes that the change was made more than two years after the 2013 acquisition. Tr.  
 26 355:10-18 (noting that CGI’s Revolocity product “was canceled or was put on hold in late 2015

27 <sup>3</sup> Case No. 3:19-cv-03770. “CGI II” refers to Case No. 3:20-cv-01465.  
 28



1 for business reasons”). Moreover, none of the cited evidence identifies any particular aspect of the  
 2 “azido technology” or any specific patent that was supposedly copied. Dkt. 575-4 at 5 (citing  
 3 TX0393; Tr. 325:16-326:17; Tr. 740:23-741:11).

4 Illumina misstates both the scope of the asserted patents and CGI’s knowledge of them.  
 5 Dkt. 575-4 at 5-6. For example, Illumina relies on knowledge of QIAGEN’s “failed attempts to  
 6 challenge Illumina’s azidomethyl patents,” using the plural “patents,” when only the single ’537  
 7 patent was at issue. *See* Dkt. 575-4 at 5; TX1803; TX0575; Dkt. 580 at 15.

8 Illumina also argues that “[d]espite its knowledge of Illumina’s *patents*, BGI engaged in a  
 9 years-long effort to copy Illumina’s SBS technology,” and that “BGI did not stop at copying  
 10 *Illumina’s blocking group*.” *See* Dkt. 575-4 at 6 (emphasis added). As set out in CGI’s JMOL and  
 11 its motion for a new trial, the evidence showed only that CGI was aware of the ’537 patent, not the  
 12 other asserted patents, before the litigation. Dkt. 581 at 8; Dkt. 580 at 15. Moreover, the asserted  
 13 patents do not cover an azidomethyl blocked nucleotide on its own, as Illumina alleges, because  
 14 the jury invalidated the ’444 patent, which had that scope. Dkt. 581 at 11.

15 As also set out in CGI’s JMOL, Illumina’s evidence of “copying” does not show copying  
 16 of Illumina’s technology, let alone the required copying tied to any specific asserted patent. Dkt.  
 17 580 at 16-17. Illumina mischaracterizes the phrase “XY team,” Dkt. 575-4 at 6, which referred to  
 18 the development team using Illumina instruments to check the aspects of chemistry developed by  
 19 Defendants, in contrast to the “BB” team, which used Blackbird instruments. Tr. 313:24-314:6.  
 20 Illumina also mischaracterizes the phrase “mimic XY,” Dkt. 575-4 at 6, which referred to  
 21 “mimicking” the Illumina dyes only, so that the dyes used in evaluating chemistry were selected  
 22 so they could be evaluated using the Illumina machine, which is only set to identify certain dyes.  
 23 Tr. 350:7-22. Particular dyes are irrelevant to the asserted patent claims. Tr. 494:12-25; 350:4-  
 24 351:3; Dkt. 580 at 17. In addition, the evidence that Illumina relies on to support its statement that  
 25 CGI “hired a third-party to determine the structure of Illumina’s nucleotides,” Dkt. 575-4 at 6,  
 26 instead shows that CGI “analyzed” nucleotides CGI received from Acme Biosciences, not  
 27 Illumina’s nucleotides. Tr. 312:1-9. Notably, Illumina’s expert testified that, based on his analysis,  
 28 when CGI synthesized its own azidomethyl blocked nucleotides, it used Zavgorodny’s prior art



1 synthesis methodology. Tr. 671:12-18. Therefore, the testimony that Illumina cites, that the  
 2 structure for the 3'-O azidomethyl structures in the accused products is the same as Illumina's,  
 3 does not demonstrate copying. Tr. 278:6-9.

4 Illumina further argues that CGI "analyzed and copied" Illumina's polymerase, sequencing  
 5 algorithm, and linker. Dkt. 575-4 at 6. Yet, Illumina pointed to no evidence that CGI "copied"  
 6 Illumina's polymerase, nor is there any. The testimony Illumina cited does not refer to a  
 7 polymerase at all. Tr. 316:22-24. Illumina also pointed to no evidence that Defendants "analyzed,"  
 8 let alone "copied," Illumina's "sequencing algorithm." Dkt. 575-4 at 6. The evidence showed, on  
 9 the contrary, that CGI never had access to Illumina's "sequencing algorithm." Tr. 342:24-344:20.  
 10 Similarly, Illumina points to the testimony of its expert, Dr. Romesberg, comparing the linker in  
 11 the accused StandardMPS products with a linker that Illumina published in *Nature* in 2008. Dkt.  
 12 575-4 at 6 (citing Tr. 650:5-13). However, this testimony does not show that CGI copied  
 13 Illumina's linker. Illumina admitted that cleavable linkers, such as those used in the StandardMPS  
 14 product which CGI never launched, are well known in the art. TX-413.5; TX-715.17; TX-715.24  
 15 ("[Illumina] does not . . . dispute Petitioner's contention that it would have been obvious to use  
 16 Church's disulfide linker in Dower's methods."); TX-986.17; TX-986.24; TX-1783.9; TX-  
 17 1803.19. Even Illumina's expert Dr. Romesberg testified that the use of such cleavable linkers was  
 18 conventional before Illumina filed its patents. Tr. 1063:3-7. In any event, none of the asserted  
 19 patent claims cover a particular "polymerase," a "sequencing algorithm," or a particular "linker"  
 20 so even if those had been copied, such copying could not be a basis for attorneys' fees or enhanced  
 21 damages. On the contrary, the Supreme Court has recognized that "[a]llowing competitors to copy  
 22 will have salutary effects in many instances, " as "[r]everse engineering of chemical and  
 23 mechanical articles in the public domain often leads to significant advances in technology."  
 24 *TrafFix Devices, Inc. v. Marketing Displays, Inc.* 532 U.S. 23, 29 (2001) (quoting *Bonita Boats,*  
 25 *Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 160 (1989)). Patent law is thus designed to protect  
 26 the public's right to copy as much as to protect the patentee's limited monopoly. *Bonita Boats,*  
 27 489 U.S. at 150-51.

1 Illumina’s argument that its expert, Dr. Romesberg, “explained BGI’s copying project,”  
 2 Dkt. 575-4 at 6, is misleading. In response to the question from Illumina’s counsel, “Have you  
 3 seen evidence that BGI copied *Illumina’s patented azido chemistry*?,” Tr. 646:13-15 (emphasis  
 4 added), Dr. Romesberg testified that Defendants had copied Illumina’s “patented azido  
 5 chemistry,” arguing that Defendants were aware of Illumina’s 2008 *Nature* paper and that  
 6 Defendants analyzed Illumina’s nucleotides. Tr. 646:13-650:18. However, Dr. Romesberg  
 7 admitted on cross examination that, based on his analysis, when CGI synthesized its own  
 8 azidomethyl blocked nucleotides, it used Zavgorodny’s prior art synthesis methodology. Tr.  
 9 671:12-18. Illumina again misrepresents the evidence regarding the phrase “developed from XY.”  
 10 The evidence showed that this statement referred to development of Zebra by CGI’s team that  
 11 previously worked with Illumina instruments, not to copying of those instruments. Dkt. 580 at 16.

## 12 2. CGI Had a Good Faith Belief of Non-Infringement and/or Invalidity

13 CGI’s good faith belief supports both denying that this case is exceptional and declining to  
 14 enhance damages, i.e., *Read* Factor No. 2. Illumina’s argument regarding CGI’s belief improperly  
 15 combines the five asserted patents and the two accused technologies without acknowledging  
 16 differences in claim scope or difference between the technologies. For example, Illumina argues  
 17 that that CGI “never really had a meaningful non-infringement argument,” Dkt. 575-4 at 6, despite  
 18 the fact that Illumina never even asserted that CoolMPS infringes either of the ’537 or ’200  
 19 patents, and that the Court granted summary judgment that CGI’s CoolMPS chemistry does not  
 20 infringe the ’025 patent. Further, Dr. Rade Drmanac testified at trial that it was clear to him that  
 21 the ’537, ’200, and ’025 patents all did not apply to CoolMPS because they all required having a  
 22 label on the nucleotide. Tr. at 597:21-598:17.

23 Illumina asserts that CGI’s “corporate representative on the topic of willfulness” was MGI  
 24 President Duncan Yu, and then relies on Mr. Yu’s testimony. Dkt. 575-4 at 6-7. Mr. Yu was not,  
 25 however, CGI’s “corporate representative on the topic of willfulness.”<sup>4</sup> To the contrary, Mr. Yu  
 26 was designated to testify concerning Illumina’s 30(b)(6) Topic Nos. 5 and 6, which concerned the

27 \_\_\_\_\_  
 28 <sup>4</sup> Illumina made that same misrepresentation to the jury. Tr. 1188:22-1189:7.

1 decision to launch and the announcement of products in the United States. Dkt. 316 at 1; Ex. 6 at  
 2 4. Illumina had a separate topic concerning facts related to willfulness, for which Mr. Yu was not  
 3 designated. Ex. 6 at 9 (Topic 49). To the extent that Mr. Yu or any other CGI witness  
 4 “acknowledged” QIAGEN’s failed challenge to “Illumina’s azido patent” or the implications of  
 5 CGI’s own 2018 IPR, that acknowledgement was limited to the ’537 patent. Further, by the time  
 6 of the decision on QIAGEN’s challenge to the ’537 patent, research in the U.S. had moved to  
 7 CoolMPS, a technology that even Illumina recognizes does not infringe the ’537 patent. Tr. 463:6-  
 8 9, 571:6-590:15, 595:9-13, 614:5-10.

9 Illumina repeats its error of lumping all of its patents together in its discussion of Dr.  
 10 Drmanac’s testimony concerning his view of invalidity of the ’537 patent. Illumina casts  
 11 aspersions, asserting that Dr. Drmanac’s opinion concerning the ’537 patent was “unsubstantiated  
 12 and reckless.” Dkt. 575-4 at 7. CGI disagrees. In any event, however, Illumina’s argument, which  
 13 concerns Dr. Drmanac’s opinions about the ’537 patent, is irrelevant to CGI’s decision to launch  
 14 CoolMPS.

15 Illumina also misleadingly argues that Dr. Drmanac’s “opinions about the invalidity of the  
 16 *asserted Patents* were all reflected in BGI’s Petitions to the PTAB.” Dkt. 575-4 at 7 (emphasis  
 17 added) (citing Tr. 479:13-481:3). In the cited questioning, Illumina’s counsel was admonished to  
 18 be clear about not lumping Illumina’s patents together. Tr. at 479:13-480:5. After that warning,  
 19 Illumina’s counsel asked “And the IPR reflects your personal views on the question of the validity  
 20 of Illumina’s patented rights *that were at issue in that matter?*” Tr. 480:25-481:2 (emphasis  
 21 added). Dr. Drmanac replied “Yes.” Tr. 481:3. Only the ’537 patent was at issue in the IPR.  
 22 TX0984; TX0985. Illumina’s suggestion that Dr. Drmanac’s views about invalidity of the other  
 23 Asserted Patents were also contained in the ’537 IPR is particularly misleading in light of Dr.  
 24 Drmanac’s deposition testimony, where, when he was asked about “other invalidity opinions that  
 25 you personally hold other than those that are in the IPRs that relate to any of the Illumina patents  
 26 in these cases,” he testified concerning his opinions that both the ’973 and ’444 patents are invalid.  
 27 Ex. 1 (R. Drmanac Dep.) at 120:9-122:14; *see also* Tr. 117:18-118:5.

1 Illumina can point to no decisions undercutting CGI's beliefs about the other Asserted  
 2 Patents. And, as this case has shown, not only did CGI have good faith beliefs that no valid claim  
 3 covered CoolMPS, but it won on the majority of those arguments.

4 3. CGI Planned to Commercialize Only its New CoolMPS Chemistry

5 Illumina's argument as to copying and good faith belief is also fatally flawed because  
 6 CGI's proposed U.S. launch would have been limited to its new CoolMPS Chemistry, TX1129;  
 7 Dkt. 119-4 at 1, which does not infringe the '537 patent.

8 As discussed above and in CGI's JMOL, the QIAGEN IPR and injunction concerned the  
 9 '537 patent. Dkt. 580 at 15. CGI's challenges to Illumina's patents likewise concerned the '537  
 10 patent. Dkt. 575-4 at 8; TX0984; TX0985. As Dr. Drmanac testified at trial, it was clear to CGI  
 11 that CoolMPS did not infringe the '537 patent. Tr. at 597:21-598:6. Further, the exhibits that  
 12 Illumina cites concerning purported acknowledgment that CGI could not enter the market "with  
 13 their sequencing products," Dkt. 575-4 at 8, did not concern the proposed 2020 launch of  
 14 CoolMPS. *See* TX0321 (October 9, 2018 Powerpoint); TX0322 (April 2019 email); TX0323  
 15 (April 2018 email chain); TX702 (October 2018 email chain).

16 Illumina has never asserted that CoolMPS infringes the '537 patent. Neither has it asserted  
 17 that CoolMPS infringes the '200 patent. With respect to the three patents asserted against  
 18 CoolMPS, Illumina offered no evidence that CGI had pre-suit knowledge of those patents, but  
 19 regardless, the Court granted summary judgment that CoolMPS does not infringe the '025 patent,  
 20 CGI II Dkt. 469, and the jury found the '444 patent invalid as obvious, Dkt. 550 at 8, leaving only  
 21 the '973 patent. Until claim construction, CGI had a reasonable belief that CoolMPS does not  
 22 infringe the '973 patent. CGI II Dkt. 191 at 13-23; CGI II Dkt. 95-2 at 3-5. Further, the '973  
 23 patent suffers from similar issues of invalidity as the '444 patent and is the subject of CGI's  
 24 JMOL. Dkt. 580 at 1-10. Illumina's decision not to assert the '537 or '200 patents against  
 25 CoolMPS, this Court's grant of summary judgment of non-infringement of the '025 patent by  
 26 CoolMPS, and the jury's verdict invalidating the '444 patent all confirm the reasonableness of  
 27 CGI's decision to try to launch CoolMPS. Illumina's resort to inflammatory language such as  
 28 claiming that CGI was engaging in "blatantly infringing commercial activities in the U.S. despite

widespread acknowledgment of Illumina’s Patents rights,” Dkt. 575-4 at 9, is not a substitute for evidence.

### **B. CGI’s Reasonable Litigation Positions and Discovery Conduct**

The closeness of the case and the reasonableness of CGI’s litigation positions—especially compared to Illumina’s conduct—demonstrate that this is not an “exceptional” case for purposes of Section 285. These same facts show that enhanced damages are not warranted under Section 284, specifically *Read* Factors Nos. 3 (closeness of case) and 5 (litigation conduct).

#### **1. CGI Advanced Strong, Often Winning Positions**

CGI prevailed in many instances in this case, undercutting Illumina’s argument that this case was exceptional or that Illumina is entitled to enhanced damages. Indeed, CGI prevailed in obtaining summary judgment of non-infringement with respect to its CoolMPS product and the ’025 patent. Dkt. 575-4 at 9. Likewise, Illumina argues that CGI’s invalidity contentions were unreasonable. But of course the jury spent five days deliberating and found that claim 3 of the ’444 patent and claim 1 of the ’025 patent were invalid. Dkt 550.

Illumina attempts to look only at issues it won and not that it lost as support for its claim that these “wins” entitle it to attorneys’ fees. However, the Court’s determination of whether the case is “exceptional” must be based on the “totality of the circumstances” and not consideration of only the points on which Illumina won, in isolation. *Octane*, 572 U.S. at 554.

Finally, Illumina reiterates the now-familiar canard that CGI’s obviousness arguments had been “previously rejected in multiple forums by ten different judges.” Dkt. 575-4 at 10. That is inaccurate. First, as detailed in CGI’s JMOL for invalidity, no tribunal ever heard the evidence that the Staudinger reaction that Zavgorodny taught was commonly known to undergraduate chemistry students and that a person of ordinary skill would know to use aqueous phosphines in that reaction to remove the azidomethyl for sequencing reactions. Nor had any tribunal ever addressed the combination of Zavgorodny and Parce, the latter of which identifies TCEP as a phosphine to use in sequencing, has no efficiency requirement and merely required two rounds of SBS to be

1 performed, with no particular time limit, as is the case for all of Illumina’s patents.<sup>5</sup> Second, to the  
 2 extent there was overlap between prior decisions and what was presented at trial, CGI presented  
 3 un rebutted testimony showing how prior decisions relied on incorrect scientific assumptions.  
 4 Moreover, no tribunal had ever considered the written description argument on the ’973 patent; in  
 5 fact, no tribunal had ever addressed the ’973 patent. Illumina lump together all of its “azido”  
 6 patents, and to argue that all of them overcame multiple obviousness challenges in prior  
 7 proceedings. And as the jury verdict of obviousness with respect to ’444 claim 3 and ’025 claim 1  
 8 confirms, each of the asserted patents has different claims that must be considered separately.

9                   2.       CGI’s Assertion of the ’984 Patent Was Squarely Grounded in the Court’s  
 10                   Claim Construction and Well-Established Legal Principles

11           Illumina’s characterization of the ’984 patent is incorrect. CGI’s infringement contentions  
 12 were premised on well-established principles of patent law—in particular, that intermediate  
 13 structures, as well as final products, may infringe composition of matter claims, such as the claims  
 14 to “high density DNA arrays” asserted in this case. As the Federal Circuit has made clear,  
 15 infringement by an intermediate is still infringement, and liability is the same. *Gemtron Corp. v.*  
 16 *Saint-Gobain Corp.*, 572 F.3d 1371, 1379-81 (Fed. Cir. 2009). Likewise, CGI followed every  
 17 aspect of the Court’s construction in its contentions—including the requirement that “more than  
 18 50% of the DNA binding regions in the array have multiple copies of one single DNA.” Dkt. 190  
 19 at 16-21. Nothing in CGI’s infringement contentions or the Court’s summary judgment ruling  
 20 satisfies the heightened standard for an exceptional case required for an award of attorney’s fees.

21           As an initial matter, Illumina errs suggesting the Court’s claim construction was a foregone  
 22 conclusion. Dkt. 575-4 at 11. To the contrary, the Court specifically noted that the construction of  
 23 whether the “more than 50%” element in the asserted claims should be limited to a single  
 24 molecule per DNA binding site involved a particularly “close question.” Dkt. 190 at 21  
 25 (“Although this is another close question, I find that the specification and claim language support  
 26 Illumina’s construction to limit the binding regions to one DNA macromolecule.”). As the Court

27 <sup>5</sup> Prior tribunals imposed an efficiency requirement that was not present in the claims or at trial.  
 28 Tr. 581:18-584:14; TX984-63 through -64.

1 explained, “[t]he use of one macromolecule per DNA binding region is certainly a preferred  
 2 embodiment.” *Id.* at 19. However, “[i]t is less clear whether it is a critical aspect of the invention  
 3 that limits the claim term,” and as such, this presented a “closer” question. *Id.* Resolution of this  
 4 sharply disputed and “close” claim construction issue in Illumina’s favor does not rise to the level  
 5 of an exceptional case.

6 Next, Illumina argues it was not on notice regarding CGI’s contentions with respect to the  
 7 intermediate DNAs formed on the accused flowcells during cluster generation. Dkt. 575-4 at 11.  
 8 But it was Illumina that caused delay. As this Court explained: “[i]f Illumina suffered any  
 9 confusion concerning what infringement contentions were being asserted, then ‘the proper  
 10 recourse’ would have been for Illumina to compel CGI to amend its infringement contentions, not  
 11 to wait until after expert discovery to move to strike the Puglisi Report.” Dkt. 424 at 12 (quoting  
 12 *Verinata Health, Inc. v. Sequenom, Inc.*, No. 12-cv-00865-SI, 2014 WL 4100638, at \*6 (N.D. Cal.  
 13 Aug. 20, 2014)). Instead, as the Court found, Illumina “waited a full year after the close of fact  
 14 discovery and a few weeks after the close of expert discovery to file its motion to strike, burying  
 15 its head in the sand until it was safe to raise the issue of the Double-Stranded DNA and Pass Filter  
 16 theories with the court.” *Id.* at 13.

17 Finally, Illumina argues that it was “scientifically inaccurate” for CGI to contend that the  
 18 complementary copies of DNA formed during cluster generation are multiple copies of the same  
 19 DNA that satisfy the “more than 50%” element of the ‘984 claims. Dkt. 575-4 at 11-12. But that is  
 20 exactly how Illumina itself described these intermediate DNAs in its instructional videos.  
 21 Specifically, Illumina’s video describes how a polymerase creates a complement of the first DNA  
 22 template that binds to the surface of the nanowell, and refers to the first double stranded template  
 23 that is formed on the surface of the flowcell as a “double stranded molecule.” Dkt. 388-12  
 24 (CGI000011966, Introduction to Sequencing by Synthesis video) at 1:19-1:25. Illumina then  
 25 describes how the template DNA is copied in the first round of bridge amplification, “resulting in  
 26 two single stranded copies” of the original DNA, consistent with the Court’s construction and  
 27 CGI’s infringement contentions. *Id.* at 1:40-1:53 (“Polymerases generate the complementary  
 28 strand, forming a double stranded bridge. This bridge is denatured, resulting in *two single*



1 *stranded copies* of the molecule that are tethered to the flow cell.” (emphasis added)). Illumina  
 2 does not explain why it characterizes complementary DNA sequences as “two single stranded  
 3 copies” to prospective customers if it was “scientifically inaccurate” to do so. Indeed, the whole  
 4 point of the amplification process is to generate multiple copies of a single target DNA in each  
 5 well of the accused flowcells, as Illumina repeatedly acknowledges. *See* Dkt. 388-6  
 6 (CGI000011965, Patterned Flow Cell Technology video) at 0:55-1:35; Dkt. 388-9  
 7 (CGI000011963, NovaSeq System Explorer video) at 0:55-1:07; Dkt. 388-12 (CGI000011966,  
 8 Introduction to Sequencing by Synthesis video) at 0:30-47; Dkt. 388-10  
 9 (ILMNBI\_NDCAL0010605, Technical Spotlight: Sequencing – Patterned Flow Cell  
 10 Technology) at 1, Exclusion Amplification; Dkt. 388-11 (CGI000011950, Technical Note:  
 11 Patterned Flow Cell Technology) at 2, Exclusion Amplification Chemistry.

12 Illumina is wrong to say that CGI’s expert “did not stand by” his opinions regarding  
 13 complementary copies of DNA. Dkt. 575-4 at 12. Dr. Puglisi explained that a person of ordinary  
 14 skill would understand that a double stranded DNA molecule includes two complementary copies  
 15 of a single DNA sequence, and that the element in the asserted claims referring to “multiple copies  
 16 of one single DNA” encompasses such complementary copies. Ex. 2 (Puglisi Dep. Tr.) at 11:21-  
 17 23 (“Q. So in your view, strand 1 is a copy of strand 2; correct? A. Yes.”); *see also id.* at 11:12-  
 18 12:4, 158:13-160:10, 163:8-20, 192:12-193:12, 199:22-200:20.

19 The Court’s summary judgment ruling on infringement of the ’984 patent does not entitle  
 20 Illumina to attorney’s fees and expenses. Even that ruling was close. The Court’s tentative ruling  
 21 found that summary judgment would not be granted on infringement under the doctrine of  
 22 equivalents. Dkt. 406 at 1. If the issues were so straightforward, Illumina would not have had to  
 23 reverse the tentative ruling to have succeeded. In any event, an award of fees is an extreme  
 24 remedy, reserved for only the most egregious cases.<sup>6</sup> Under Illumina’s theory, however, it is

25  
 26 <sup>6</sup> The cases that Illumina cites are inapposite. *Oplus Techs., Ltd. v. Vizio, Inc.*, 782 F.3d 1371  
 27 (Fed. Cir. 2015) involved an “egregious pattern of misconduct” that is not present here—including  
 28 delaying the litigation by strategically amending claims to manufacture venue, misusing the  
 discovery process to harass the defendant, blatantly misinterpreting prior discovery requests in an  
 (footnote continued)

entitled to attorney’s fees based on an ordinary grant of summary judgment. That is not the rule. Otherwise, CGI would also be entitled to attorney’s fees and expenses to defend against Illumina’s claim of infringement for the ’025 patent directed to CGI’s CoolMPS sequencing system—which was likewise resolved on summary judgment. This case falls far short of the standard for an exceptional case where fees may be warranted.

### 3. CGI’s Inequitable Conduct Allegations Were Reasonable

CGI was entitled to mount a defense of inequitable conduct even if it did not prevail. As Judge Dyk has warned, applying “[t]he totality of the circumstances standard is not, however, an invitation to a ‘kitchen sink’ approach where the prevailing party questions each argument and action of the losing party in an effort to secure attorney’s fees.” *Stragent, LLC v. Intel Corp.*, No. 11-cv-421, 2014 WL 6756304, at \*3 (E.D. Tex. Aug. 6, 2014). Losing a defense is not evidence of unreasonable conduct. *See Humanscale Corp. v. Compix Int’l Inc.*, No. 09-cv-86, 2010 WL 3304261, at \*7 (E.D. Va. Aug. 16, 2010) (refusing to award fees even though defenses were dismissed for lack of proof). Indeed, as this Court recognized, “rigorous advocacy would require [the party’s] legal team to advance all plausible arguments before the tribunals and opposing counsel to attack those arguments.” Dkt. 81 at 8.

CGI’s initial inequitable conduct allegations also do not show any unreasonable litigation conduct. *See id.* The Court noted that the pleading standard for inequitable conduct is high given the specific intent requirement. *See id.* at 3. That the Court found that CGI did not meet this high pleading standard does not show unreasonableness. In addition, this defense was dismissed early

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attempt to obtain the same information the Court had previously refused to compel, and using improper litigation tactics including presenting contradictory expert evidence and infringement contentions, as well as misrepresenting legal and factual support. *Id.* at 1372-75.

Similarly, *In re PersonalWeb Techs., LLC Patent Litig.*, No. 18-md-02834-BLF, 2020 WL 5910080 (N.D. Cal. Oct. 6, 2020) involved a course of conduct throughout the litigation that is completely different from the situation here—including infringement claims that were precluded by summary judgment in an earlier case, inconsistent allegations as to the identity of the products accused of infringement, disregard for the Court’s construction of certain claim terms in favor of its own “preferred” construction, inconsistent representations regarding the characterization of

(footnote continued)

1 in the case, as Illumina filed its motion to dismiss this affirmative defense (among other claims  
 2 and defenses, one of which the Court did not dismiss) five weeks after CGI answered Illumina's  
 3 First Amended Complaint. *See* Dkts. 54, 65. Illumina presents no evidence that any of this conduct  
 4 "[drove] up the cost and complexity" of this litigation. Dkt. 575-4 at 13.

5 Illumina next points to CGI's inequitable conduct defense that Illumina failed to disclose  
 6 the Kovacs reference. *Id.* at 13-14. CGI's prosecution of this defense was reasonable. Indeed, the  
 7 Court agreed that CGI's defense was not futile, noting that the allegations of inequitable conduct  
 8 were "sufficient to support a plausible inference that Drs. Liu and Wu had knowledge of the  
 9 Kovacs publication" and that they supported a plausible inference of specific intent to deceive.  
 10 CGI II Dkt. 263 at 7-8. Moreover, CGI did not "shift its focus" to a defense based on Dr. Lee, Dkt.  
 11 575-4 at 14—Dr. Lee was part of CGI's allegations from the start, as the citation to Kovacs  
 12 appeared in her laboratory notebook. *See, e.g.*, CGI II Dkt. 226-4 at 52-56.

13 Finally, Illumina's suggestion that CGI should simply accept Illumina's interpretation of  
 14 the evidence because of identical self-serving declarations from two of the eight inventors  
 15 concerning Kovacs is unsupportable. CGI uncovered evidence that the Drs. Lee, Liu, and Wu were  
 16 all working together on the same process and passed compound among one another. *See, e.g.*, CGI  
 17 II Dkts. 421-22, 421-24, 421-26. The testimony also showed that the Illumina chemistry group  
 18 was very small (six people) and that they worked closely together, talking together about their  
 19 work informally and meeting twice a week to review what the group was working on. CGI II Dkt.  
 20 572-4 at 28:3-29:23, 172:23-173:23, 224:5-19. In fact, Dr. Brennan, one of the inventors and a  
 21 member of the six-person chemistry group, testified that it was not reasonable to think that "one  
 22 person in the group that was working on the same thing as other people would have known where  
 23 a particular synthesis had originated and the others wouldn't know." *Id.* at 224:5-19. While the  
 24 Court held otherwise on summary judgment, this testimony directly supported CGI's defense that,  
 25 because Dr. Lee took the method of adding phosphates onto the 3'-O azidomethyl blocked

26  
 27 consumer cases involved in multi-district litigation, and declarations submitted to the Court that  
 28 the patentee "should have known were not accurate." *Id.* at \*20, \*12.

1 nucleosides from the Kovacs reference (as shown in her laboratory notebook), the other members  
 2 of her team, including Drs. Li and Wu, who literally worked shoulder to shoulder with her in the  
 3 lab and on the same process of adding phosphates to the 3'-O azidomethyl blocked nucleosides,  
 4 would have been aware of the source of that method. Although the Court ultimately held that  
 5 CGI's inequitable conduct defense did not meet the stringent requirements of *Therasense, Inc. v.*  
 6 *Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc), it did not find, as Illumina  
 7 claims, that the Kovacs reference was not material. *See* CGI II Dkt. 471 at 22. Instead, the Court  
 8 focused on the specific intent element. *Id.* at 24. CGI's inability to clear the "single most  
 9 reasonable" standard does not show that asserting this defense was unreasonable, especially given  
 10 the evidence uncovered during discovery. CGI was entitled to litigate the issue and seek to rely on  
 11 court decisions coming to the opposite conclusion. *Enplas Display Device Corp. v. Seoul*  
 12 *Semiconductor Co.*, No. 13-cv-05038 NC, 2016 WL 482701, at \*3-4 (N.D. Cal. Feb. 8, 2016)  
 13 (denying summary judgment).

14 Illumina next criticized CGI's deposition of two of its witnesses, Drs. Liu and Reudiger  
 15 but cites no authority that continuing to question witnesses who avoid answering the question  
 16 constitutes litigation misconduct. Dkt. 575-4 at 15.<sup>7</sup>

17 Last, CGI's designation of inventor testimony relevant to obviousness does not constitute  
 18 misconduct. CGI designated testimony from the inventors relevant to prior art and written  
 19 description, which is relevant. *Digital Reg of Tex., LLC v. Adobe Sys., Inc.*, No. 12-cv-1971 CW,  
 20 2014 WL 4090550, at \*8 (N.D. Cal. Aug. 19, 2014) (inventor testimony relevant to invalidity);  
 21 *Nuvo Pharm. (Ir.) Designated Activity Co. v. Dr. Reddy's Labs. Inc.*, 923 F.3d 1368, 1381 (Fed.  
 22 Cir. 2019) (inventor testimony "illuminates the absence of critical description in this case"). CGI  
 23 complied with the Court's order and did not designate testimony solely related to inequitable  
 24 conduct. But because CGI's inequitable conduct defense was still in the case when these  
 25 depositions were taken, there was overlap in some testimony. CGI further narrowed the testimony

26  
 27 <sup>7</sup> Illumina resorted to repeating questions and calling Defendants' witnesses liars when they did  
 28 not get the answer they wanted. *See* Ex. 3 (H. Li Dep. Tr.) at 96:9-99:4.

1 as part of its trial preparation, and the Court admitted some of the designated testimony to which  
 2 Illumina objected as retracing the path of the invention. This conventional trial preparation is not  
 3 misconduct.

4                   4.       Illumina’s Conduct, Not CGI’s, Unreasonably Increased Discovery Costs

5           The history of discovery disputes in this case demonstrates that it was Illumina that was  
 6 incalcitrant, not CGI. Illumina took more than twenty fact deposition of CGI witnesses. CGI  
 7 produced more than 750,000 documents, totaling more than 3.5 million pages. And CGI served  
 8 extensive privilege logs. CGI’s primary privilege log for documents dated prior to the litigation  
 9 consisted of more than 3,000 entries for documents spanning 13 years. Considering the extensive  
 10 discovery, it is little surprise that CGI pushed back on certain of Illumina’s demands, particularly  
 11 where those demands implicated materials protect from discovery by the work product doctrine or  
 12 attorney-client privileged. The fact that Illumina prevailed in some of the parties’ discovery  
 13 disputes does not render CGI’s behavior unreasonable.

14           Illumina’s one-sided summary of discovery also ignores Illumina’s discovery conduct that  
 15 resulted in unnecessary motion practice and increased cost. For example, early in discovery,  
 16 Illumina resisted producing most of the named inventors for deposition and forced CGI to move to  
 17 compel those depositions. CGI II Dkt. 144. In its opposition, Illumina argued that the inventor  
 18 depositions were not necessary, and that even if they were, CGI should be forced to seek the  
 19 depositions of foreign witnesses through the procedures of the Hague Convention. *Id.* at 4.  
 20 Illumina at one point said four inventors were available and then when CGI said it would move on  
 21 the rest, Illumina made two of those four unavailable. *Id.* at 2. The Court ultimately disagreed with  
 22 Illumina’s tactics and position, and ordered Illumina “to make the inventors available for  
 23 deposition by videoconference or face sanctions.” CGI II Dkt 164 at 8. The Court also stated that  
 24 it had “some concerns that Plaintiffs may have been priming the inventors to refuse to attend  
 25 depositions,” and recited various statements that sparked those concerns. *Id.* at 8-9. The Court  
 26 summarized that “it may be that Plaintiffs’ efforts to compel the inventors to make themselves  
 27 available for deposition have consisted of meekly asking them to volunteer to travel great  
 28 distances and imperil their lives. If Plaintiffs cannot make any of the inventors available for

1 deposition by videoconference, they may face sanctions.” *Id.* at 9. Not surprisingly, after these  
2 strong admonitions from the Court, Illumina was able to make the inventors available for  
3 deposition. Illumina provides no explanation for this in its Motion.

4 Illumina also forced unnecessary discovery motion practice concerning discovery from  
5 third-party supplier MyChem, despite the fact that the same information could be obtained from  
6 CGI. Dkt. 299-4. To avoid motion practice, CGI offered to produce all non-privileged custodial  
7 emails hitting the term “MyChem” if Illumina would withdraw the subpoena. Dkt. 313 at 4.  
8 Illumina refused that offer and moved to compel. *Id.* The Court agreed with CGI. *Id.* The Court  
9 rejected Illumina’s demand for more than CGI had offered, and explained in detail why the  
10 additional documents Illumina sought from MyChem were not relevant to any allegations in the  
11 case. *Id.* at 6-8.

12 Even after trial, Illumina sought additional discovery, moving for another deposition of  
13 CGI. Dkt. 573. The Court denied that motion as well. Dkt. 584. Although Illumina’s motion was  
14 rife with accusations of inconsistency, even falsity, the Court’s careful consideration of the facts  
15 revealed that there was no showing that CGI’s challenged discovery response was either false or  
16 incomplete. *Id.*

17 Illumina’s complaints concerning CGI’s discovery conduct should be considered in the  
18 context of the totality of the extensive discovery. Those complaints fall generally into five  
19 categories (i) Dr. Romesberg’s failure to answer deposition questions relevant to his credibility;  
20 (ii) CGI’s claims of work product protection concerning design around efforts, (iii) CGI’s  
21 opposition to the depositions of three apex witness, (iv) CGI’s privilege claims, and (v) a hodge-  
22 podge of issues where CGI agreed to Illumina’s discovery demands after Illumina served  
23 discovery letters without having met and conferred. None of CGI’s behavior was unreasonable,  
24 whether considered individually or collectively.

25 Illumina begins its discussion of discovery issues with Dr. Romesberg’s deposition, but it  
26 misstates the purpose of CGI’s questioning. Dkt. 575-4. During Dr. Romeberg’s deposition,  
27 Illumina’s counsel instructed him not to answer questions that went directly to his credibility, as  
28 CGI’s counsel explained on the record at the time. CGI II Dkt. 476-6 at 477-483. There was

1 nothing abusive or unreasonable in CGI posing questions related to the credibility of a critical  
 2 witness, such as Illumina's technical expert. In fact, the jury instructions support that testimony  
 3 can be viewed in light of any "factors that bear on believability." Tr. at 1125:18-1126:4. The jury  
 4 was also instructed "if you decide that a witness has deliberately testify untruthfully about  
 5 something important, you may choose not to believe anything that witness said." *Id.* at 1126:13-  
 6 15. Dr. Romesberg stated that in the academic world, the issue on which CGI tried to question  
 7 him, whether writing a recommendation for a person and not informing the recipient that there was  
 8 more than a professional relationship for the person being recommended, was not truthful, honest,  
 9 and ethical for the drafter. CGI II Dkt. 476-6 at 475:8-20. Illumina's instructions not to answer  
 10 questions that did not implicate privilege were contrary to black letter law, and the appropriate  
 11 next step in light of such instructions was for Illumina to seek a protective order as it said it would  
 12 do. *See Detoy v. City & Cty. of San Francisco*, 196 F.R.D. 362, 365 (N.D. Cal. 2000); *Biovail*  
 13 *Labs., Inc. v. Anchen Pharm., Inc.*, 233 F.R.D. 648, 653 (C.D. Cal. 2006). The fact that the Court  
 14 determined that the resulting motion practice was a motion to compel, as opposed to Illumina  
 15 moving for a protective order, and therefore denied it on procedural grounds as untimely, does not  
 16 alter the merits of CGI's position. CGI II Dkt. 479

17       The second complained-about category of discovery concerned CGI's design-around  
 18 efforts, in particular its assertions of work product protection and/or privilege over information  
 19 concerning those efforts. Dkt. 575-4 at 17. Here, the Court did not find CGI's position "clearly  
 20 unfounded" as Illumina asserts. *Compare* Dkt. 575-4 at 17 with CGI II Dkt. 221 at 5. Rather, the  
 21 Court expressly recognized that "actual attorney-client communications about a design around are  
 22 still privileged, and an attorney-written memo with thoughts and impressions about a design  
 23 around is still work product." CGI II Dkt. 221 at 5. The Court went on to clarify that its holding  
 24 was "simply that Defendants cannot declare off limits the entire subject matter of designing  
 25 around Illumina's patents." *Id.* As evidenced by the Court's decision, it is necessary to draw a  
 26 careful distinction between materials related to design-arounds that reveal privilege or work  
 27 product, and those that reveal only the facts of what has been done. *Id.* at 4-5. CGI's  
 28



1 understandable caution was not discovery misconduct, particularly when the disclosure of  
2 privileged information risks waiver.

3         Illumina's third complaint concerns depositions of three top level executives, asserting that  
4 CGI "improperly resisted" those depositions. Dkt. 575-4 at 17. However, CGI did nothing more  
5 than invoke the apex witness doctrine to try to avoid these disruptive, and in CGI's view,  
6 irrelevant depositions. Dkt. 265-4 at 4-6. That the Court ultimately disagreed with CGI does not  
7 make CGI's invocation of a well-established doctrine "improper."

8         Illumina also faults CGI for the timing of one of those depositions during the global  
9 pandemic. Dkt. 575-4 at 18. This should have been a simple issue. Dr. Wang is located in  
10 mainland China, and was therefore required to travel outside of mainland China to sit for his  
11 deposition. As the parties were attempting to set a date for Dr. Wang's deposition, new COVID-19  
12 cases were confirmed in Macao, and the Macao government announced new safety measures,  
13 including heightened safety measures at the border with mainland China. CGI II, Dkt. 459, Ex. 2.  
14 As Dr. Wang testified at his deposition, not only were there COVID-related difficulties with  
15 crossing the border out of mainland China, but there was also the possibility of a 14 day  
16 quarantine when trying to return. Ex. 4 (J. Wang Dep. Tr.) at 32:11-22. In light of this, CGI sought  
17 a brief extension of the time in which to complete Dr. Wang's deposition, but was unable to come  
18 to agreement with Illumina, resulting in CGI's motion for an extension of time for the deposition.  
19 CGI II, Dkt. 459.

20         It bears noting that, the fact that the parties were attempting to schedule Dr. Wang's  
21 deposition well after the close of discovery, and at a time when there was a resurgence of COVID-  
22 19 cases in Macao, was entirely by Illumina's choice. Illumina wanted resolution of the  
23 outstanding privilege disputes before deposing Dr. Wang. Dkt. 575-4 at 18; CGI II Dkt. 398 at 1.  
24 However, as it turned out, the resolution of those disputes made no difference. Illumina's assertion  
25 that Judge Hixson's resolution of the privilege dispute "resulted in the production of over 50  
26 improperly withheld documents" is incorrect. Dkt. 575-4 at 18. Judge Hixson's Order rejected  
27 only six, not fifty, of CGI's privilege claims, and in Judge Hixson's words "those concerned small  
28 redactions that did not significantly alter the content of the documents." CGI II Dkt. 417 at 7.

1 As illustrated by Judge Hixson’s order, CGI behaved entirely properly with respect to  
2 Illumina’s fourth category of complaints, CGI’s privilege claims. To begin, it is necessary to  
3 clarify some facts. CGI suggested the April 21, 2021 exchange of privilege logs that appears in the  
4 Court’s April 7, 2021 Order. Dkt. 327 at 2; Dkt. 330. As of April 7, Illumina had requested *in*  
5 *camera* review of six clawed-back documents (Dkt. 312), and the Court ordered CGI to serve a log  
6 for those six documents before the agreed deadline for serving the complete log. Dkt. 330.

7 Illumina also complains of the content of CGI’s log, asserting that it was “so deficient”  
8 that the Court found it necessary to conduct *in camera* review of 20 documents. Dkt. 575-4 at 18.  
9 Yet, CGI’s purportedly “deficient” descriptions in its privilege log were no different than  
10 Illumina’s descriptions in its own privilege log. CGI II Dkt. 362-4. Moreover, Illumina is  
11 complaining about supposed deficiencies for a miniscule fraction of the more than 3,000 entries in  
12 CGI’s privilege logs. CGI II Dkt. 364-12.

13 Illumina’s arguments concerning CGI’s privilege claims repeat their inaccurate assertion  
14 that “the Court overruled BGI’s claims of privilege on over 50 improperly withheld documents.”  
15 Dkt. 575-4 at 19. Rather, the Court overruled CGI’s privilege claims concerning the redacted  
16 portions of only *six* documents. CGI II Dkt. 417 at 7. The Court also declined Illumina’s request  
17 for additional *in camera* review, explaining that “[f]or the documents the Court has reviewed in  
18 camera, the Court sustained Defendants’ privilege claims about three quarters of the time, so there  
19 is no indication of a significant pattern of misusing the privilege. Likewise, while the Court  
20 rejected one quarter of the privilege claims, those concerned small redactions that did not  
21 significantly alter the content of the documents. Further, the number of briefs that were filed in  
22 connection with this dispute indicates that this privilege dispute has metastasized into expensive  
23 and unproductive satellite litigation that is best brought to an end.” *Id.* CGI should not bear the  
24 cost of Illumina’s expensive and unproductive satellite litigation that resulted in the Court  
25 rejecting a small fraction of CGI’s privilege claims, all of which involved “small redactions that  
26 did not significantly alter the content of the documents.”

27 Finally, the lack of any actual discovery misconduct is highlighted by Illumina’s inclusion  
28 of its fifth category of complaints—issues that the parties resolved without the Court’s

1 intervention. Illumina is incorrect that there was any “adamant refusal” to cooperate on these  
 2 issues. On March 24, two days before the close of fact discovery, responded to an email from CGI  
 3 asking for a meet and confer by requesting that a number of additional items be added to the  
 4 agenda. Ex. 5 (March 24, 2021 email from M. Root to A. Naravage). The parties then exchanged a  
 5 series of emails seeking to schedule a meet and confer on issues raised by both sides. *Id.* Illumina  
 6 then served their portions of multiple letter briefs on March 26, just two days after the email  
 7 raising the issues and *before* the parties had met and conferred. *Id.*; Dkt. 575-4 at 19. CGI can  
 8 hardly be faulted for not addressing these complaints from Illumina before the parties had even  
 9 discussed them.

10 The totality of the circumstances here show that this was a hard-fought case between  
 11 competitors, in which CGI advanced arguments that were supported by facts and law. Such good  
 12 faith zealous advocacy is not exceptional.

#### 13 **IV. THIS CASE DOES NOT WARRANT AN AWARD OF ENHANCED DAMAGES**

14 CGI’s conduct in this case was far from the actions “of a pirate” as would be necessary to  
 15 justify enhanced damages. CGI never launched, and never sought to launch, its accused  
 16 StandardMPS chemistry in the United States. And, CGI had strong non-infringement and  
 17 invalidity positions with respect to the patents asserted against the innovative CoolMPS chemistry.  
 18 Under the circumstances, even if the jury’s willfulness finding stands, there is no basis for  
 19 enhanced damages.

##### 20 **A. The Jury’s Willfulness Finding Is Not a Basis for Enhanced Damages**

21 As discussed in CGI’s JMOL, the Court should grant JMOL of no willfulness. Even if the  
 22 willfulness verdict stands, a finding of willfulness does not require an award of enhanced  
 23 damages. *See Halo*, 579 U.S. at 106 (“[N]one of this is to say that enhanced damages must follow  
 24 a finding of egregious misconduct.”). The willfulness determination also does not “demonstrate[]  
 25 that this case is egregious,” as Illumina contends. Dkt. 575-4 at 20. Consistent with Federal Circuit  
 26 authority, the jury was instructed that “[t]o prove willful infringement, Illumina must persuade you  
 27 that it's more likely true than not true that defendants intentionally ignored or recklessly  
 28 disregarded a valid claim of Illumina's asserted patents.” Tr. at 1135:10-14; *Eko Brands, LLC v.*

1 *Adrian Rivera Maynez Enters., Inc.*, 946 F.3d 1367, 1378 (Fed. Cir. 2020) (“Under *Halo*, the  
 2 concept of ‘willfulness’ requires a jury to find no more than deliberate or intentional  
 3 infringement.”). Enhanced damages, in contrast, are reserved for conduct that is “willful, wanton,  
 4 malicious, bad-faith, deliberate, consciously wrongful, flagrant, or—indeed—characteristic of a  
 5 pirate.” *Halo*, 579 U.S. at 103-04.

6 **B. The *Read* Factors Weigh Against An Award of Enhanced Damages**

7 There is significant overlap in the *Read* factors evaluated for enhanced damages and the  
 8 analysis underlying the exceptional case analysis—such as lack of copying (*Read* No. 1),  
 9 knowledge of the patent (*Read* No. 2), behavior in litigation, (*Read* No. 3) and closeness of the  
 10 case (*Read* No. 5). Courts deny enhanced damages under these facts. *Power Integrations, Inc. v.*  
 11 *Fairchild Semiconductor Int’l, Inc.*, No. 09-cv-05235-MMC, 2017 WL 130236, at \*4-5 (N.D. Cal.  
 12 Jan. 13, 2017); *Finjan, Inc. v. Blue Coat Sys., Inc.*, No. 13-cv-03999-BLF, 2016 WL 3880774, at  
 13 \*15-17 (N.D. Cal. July 18, 2016); *VirnetX Inc. v. Apple Inc.*, No. 12-cv-00855-RWS, 2018 WL  
 14 10048706, at \*21 (E.D. Tex. Aug. 30, 2018) (“A testament to the closeness of the case is the fact  
 15 that the jury deliberated for over five hours between the two phases of the case.”), *aff’d in part,*  
 16 *rev’d in part on other grounds, vacated in part on other grounds*, 792 F. App’x 796 (Fed. Cir.  
 17 2019).

18 With respect to *Read* No. 4 (CGI’s size and financial condition) This factor is neutral. Both  
 19 companies are well-funded competitors.

20 With respect to *Read* No. 6 (duration of accused conduct), this weighs against  
 21 enhancement because since 2018, CGI’s work in the U.S. has been focused on CoolMPS (Tr. at  
 22 595:9-13), a product that was not even accused of infringing the ’537 patent, the only patent for  
 23 which Illumina presented evidence concerning CGI’s awareness.

24 With respect to *Read* No. 7 (remedial action by CGI), this factor weighs against  
 25 enhancement. Illumina argues that CGI announced the launch “of its infringing products in the  
 26 United States scheduled for April 2020—over nine months after the complaint was filed.” Dkt.  
 27 575-4 at 24, citing TX1129; but that ignores that the launch was CGI’s CoolMPS products. The  
 28 complaint relied upon by Illumina, however, alleged infringement of the ’537 and ’200 patents—

1 the two patents that Illumina never asserted against CoolMPS. This litigation has largely  
2 vindicated CGI's well-founded belief that CoolMPS does not infringe any valid claim of any  
3 Illumina patent.

4 With respect to *Read* No. 8 (motivation for harm), this factor weighs against enhancement.  
5 Illumina incorrectly asserts that CGI attempted to launch "products in the U.S. based on  
6 technology copied from Illumina." Dkt. 575-4 at 24. As described above, there is no evidence of  
7 copying. And CGI sought to launch only CoolMPS in the United States. Marketplace competition  
8 is not actionable "harm." *Power Integrations*, 2017 WL 130236, at 5 (noting that seeking to gain a  
9 business advantage is not "motivation to harm" (citation omitted))

10 With respect to *Read* No. 9 (attempts to conceal), this factor weighs against enhancement.  
11 Illumina relies on documents from 2015 and 2016 concerning international activities around the  
12 StandardMPS chemistry to try to suggest that CGI attempted to conceal "misconduct." Dkt. 575-4  
13 at 25. Not so. The email concerns an "international launch" of a product, not a concealment of it.  
14 TX0713. Illumina cannot seriously contend that CGI was trying to conceal its conduct when  
15 planning an "international launch" of the BGISEQ-500 product.

16 When CGI was planning to launch the new, CoolMPS chemistry in the U.S., CGI  
17 published an article describing CoolMPS (CGI II Dkt. 1-52), followed by a public announcement  
18 of its intent to launch in the U.S. TX1129. It concealed nothing.

19 Illumina's consistent blurring of CGI's activities concerning StandardMPS and CoolMPS  
20 should alone defeat its request for enhanced damages. When the facts are considered, none of the  
21 *Read* factors suggests the kind of "willful, wanton, malicious, bad-faith, deliberate, consciously  
22 wrongful, or flagrant" conduct necessary for enhancement. *See Halo*, 579 U.S. at 103-04.

23 As indicated in the text of 35 USC § 284, enhancing damages is discretionary. The  
24 Supreme Court has explained that discretion must be tethered to "sound legal principles" and  
25 enhanced damages "are not to be meted out in a typical infringement case, but are instead  
26 designed as a 'punitive' or 'vindictive' sanction for egregious infringement behavior." *Halo*, 579  
27 U.S. at 103 (citation omitted). As the foregoing makes clear, CGI prevailed on many issues in this  
28 closely contested litigation. Indeed, the patent system benefits from fulsome litigation between

competitors. And CGI behaved with diligence: as described above, it formed good faith beliefs, mounted reasonable defenses—many of which succeeded—and only offered CoolMPS for sale in the U.S. In *Presidio Components, Inc. v. American Technical Ceramics Corp.*, 875 F.3d 1369 (Fed. Cir. 2017), after a jury finding of willful infringement, the district court declined to award enhanced damages, which the Federal Circuit affirmed. *Id.* at 1382-83. Even though the jury rejected the defendant’s defenses, the district court concluded the case “was a garden-variety hard-fought patent case.” *Id.* (quotation marks omitted). The same result should occur here—Illumina’s request for an exceptional case finding and enhanced damages should be denied.

**V. ILLUMINA’S MOTION IS PREMATURE**

Illumina’s motion for fees is premature. A motion for fees may be filed no later than fourteen days after entry of judgment, see Fed. R. Civ. P. 54(d)(2)(B); Civil L.R. 54-5, but there has been no entry of judgment. See *Use Techno Corp. v. Kenko USA, Inc.*, No. 06-cv-02754 EDL, 2007 WL 3045996, at \*2 (N.D. Cal. Oct. 18, 2007); *Ondersma v. Metro. Life Ins. Co.*, No. 06-cv-0258 MMC, 2007 WL 4371422, at \*9 (N.D. Cal. Dec. 12, 2007) (“To the extent plaintiff seeks fees and costs, the request is premature because judgment has not been entered.”). This motion should not be considered until the parties’ pending JMOL motions are resolved and judgment entered.

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Respectfully submitted,

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